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JH



County of Los Angeles CHIEF EXECUTIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION
LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://ceo.lacounty.gov>

DAVID E. JANSSEN
Chief Executive Officer

July 12, 2007

Board of Supervisors
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First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

TO: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: David E. Janssen, Chief Executive Officer

SUBJECT: **BOARD OF SUPERVISORS: ANTONOVICH MOTION (SYN 4 – MAY 29, 2007) DATA MINING AND TRAINING**

This is in response to a Board Motion of May 29, 2007, instructing my office to report on incorporating Data Mining technology into the DPSSMART Data Warehouse and conduct fraud detection and prevention training to all County agency staff who administer public assistance programs. I provided your Board with an interim report on June 29, 2007.

Our County has implemented a number of initiatives and/or systems to detect and prevent fraudulent activities across multiple programs. For instance, the County and DPSS currently operate or contract various hotlines for any concerned citizen to report suspected fraud. Also, DPSS has implemented a Home Interview Program, which allows an Eligibility Worker to interview a potential participant at their home before approval and issuance of CalWORKs benefits. Furthermore, DPSS employs a special investigation unit, known as the Welfare Fraud Prevention and Investigation (WFP&I) Section, which is a dedicated team of peace officers and administrative support personnel who investigate fraud allegations in the Department's programs. The WFP&I staff utilize specially designed computer systems to help them identify potential fraud and investigate the allegations by searching key information, such as reported income from various sources and comparing it against income reported as part of the participants' eligibility determination for public benefits.

Some very important systems in use in DPSS today for fraud detection and prevention are:

- Income Eligibility Verification System (IEVS)
- Welfare Fraud Linkage Analysis Database System (WFLADS)
- Statewide Fingerprint Imaging System (SFIS)
- Fraud Automated Case Tracking System (FACTS).

In addition to these systems, DPSS is currently in the process of deploying the DPSSMART Data Warehouse. While the Data Warehouse is primarily designed as a data integration management tool, it has the added benefit of assisting the Department in detecting and preventing certain fraudulent activities in public assistance programs. As the Board has recognized, the DPSSMART Data Warehouse will likely provide the solid technical foundation needed to add data from other departments to further assist in detecting and preventing fraud.

Consequently, DPSS will be partnering with the Service Integration Branch (SIB) of the CEO to leverage its expertise to evaluate the effectiveness of implementing Data Mining tools with the DPSSMART Data Warehouse, focusing on Child Care fraud as a potential pilot program. Since Data Mining is also relatively new to CEO-SIB, the overall cost and timeline for such an effort is not available at this time. However, early projections indicate that a pilot could be completed within three to four months. The CEO and DPSS will also continue to pursue options and approaches for the County to apply Data Mining solutions with experienced vendors and specialized professionals.

With regard to Fraud training, DPSS has an established training program for Welfare Fraud Investigators and Eligibility staff and believes it is feasible to expand the existing fraud detection and prevention training to all County personnel who administer public assistance programs. In collaboration with the Department of Human Resources and impacted departments, a curriculum will be enhanced that will train staff in the following areas:

- Fraud identification and prevention best practices, tips and guidelines
- Preparation of fraud referrals
- Identification of internal fraud
- Making referrals to DPSS Welfare Fraud Section and the various fraud reporting hotlines.

We will provide your Board with an update on the progress of these initiatives in 90 days. If you have any questions, you may contact me or your staff may contact James Blunt at (213) 893-2291.

DEJ:SRH:BY
PLB:lbm

c: Executive Officer, Board of Supervisors
County Counsel
Director, Human Resources
Director, Public Social Services



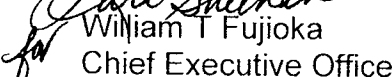
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WILLIAM T FUJIOKA
Chief Executive Officer

May 1, 2008

To: Supervisor Yvonne B. Burke, Chair
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: 
William T Fujioka
Chief Executive Officer

Board of Supervisors
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FINAL REPORT: FRAUD PREVENTION AND AWARENESS

This is in response to your Board Motion of May 29, 2007 instructing my office to report on the feasibility of incorporating data mining technology into the DPSSMART Data Warehouse to target fraud in all public assistance programs, and to provide fraud detection and prevention training to all County agency staff who administer public assistance programs. On July 12, 2007, I provided your Board with an interim report which detailed how the DPSSMART Data Warehouse can be used to assist in the detection and prevention of fraud and that my Service Integration Branch (SIB) is working with the Department of Public Social Services (DPSS) to evaluate the effectiveness of implementing Data Mining tools with the Data Warehouse. It was determined that if requested, a pilot program can be implemented within four months. In addition, I reported that DPSS has an established fraud training program for Welfare Fraud Investigators and eligibility staff.

On December 20, 2007, my office directed the Departments of Community and Senior Services, Public Social Services, Child Support Services, and Children and Family Services to notify all staff who administer public assistance programs of the existence of the Welfare Fraud Prevention and Investigations/Central Fraud Reporting hotline and the national non-profit WeTip hotline. As of February 29, 2008, each of these departments confirmed that staff was informed of the existence of these hotlines and that a caller's identity would either remain confidential or the call could be made anonymously.

Each Supervisor
May 1, 2008
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Based on these collaborative efforts, my office has established that it is feasible to incorporate data mining technology into the DPSSMART Data Warehouse. An established fraud training program exists within DPSS, and all County agency staff who administer public assistance programs have been informed of the available fraud hotlines.

If you have any questions, you may contact me, or your staff may contact James Blunt at (213) 893-2291.

WTF:SRH:MS
GP:JB:cvb

c: Executive Officer, Board of Supervisors
 County Counsel
 Department of Public Social Services
 Child Support Services Department
 Department of Children and Family Services
 Department of Community and Senior Services